Direct, Indirect and Induced Jobs Created by GLA Group Projects and Programmes

The Mayor's manifesto commitment is to create 200,000 jobs through City Hall programmes over the Mayoral term. The estimates presented in the main body of this paper relate as closely as possible to those referred to in an answer to a Mayor's Question[1] which, on occasion, mixed direct job creation with indirect and induced job creation. For the purpose of transparency, this appendix attempts to identify the number of direct, indirect and induced jobs created outside London, as well as inside London – as a result of GLA Group led activity.

The definitions, methodology and estimated number of direct, indirect and induced jobs created by GLA Group's projects and programmes are presented below.

Direct jobs	
Definition	Jobs that are a primary output of the project.
Example	New construction workers that are hired to build new social housing as part of a GLA programme.
Measurement	• Data provided by the nominated officer for all projects and programmes except for Transport for London/Crossrail, London & Partners and Housing. • TfL/Crossrail data groups direct, indirect and induced jobs together, but an external consultancy has identified the individual contributions to the number of jobs created which are then used in this analysis. • London & Partners has separated the number of jobs created by activity. It is assumed that jobs created through FDI are direct jobs, while jobs created through other means (tourism, major events and higher education) are indirect jobs. • Job estimates for Housing are based on the assumption that each house completion will create 2 direct jobs, 1.6 indirect jobs and 0.8 induced jobs. This is derived from GLA Economics' analysis set out in Appendix 3 of the paper presented to IPB in August 2014.

Indirect jobs	
Definition	Jobs that are an output of additional activities made possible by the project, but not as a direct output of the project itself.
Example	Increased demand for building supplies means that suppliers hire new factory workers.
Measurement	• Assumed that for every one direct job created by a GLA project, 0.6 jobs will be created indirectly. This is based on the average of the empirical estimates of Type 1 (Indirect) multipliers by the Scottish government (http://www.scotland.gov.uk/Topics/Statistics/Browse/Economy/Input-Output/Mulitipliers). Applicable to all programmes except for Transport for London/Crossrail, London & Partners and Housing.

[1] Mayor's Question Time, 14 March 2012, question number: 776/2012, appendix A. See: http://mqt.london.gov.uk/mqt/public/question.do?id=40354

	• TfL/Crossrail data groups direct, indirect and induced jobs together, but an external consultancy has identified the individual contributions to the number of jobs created which are then used in this analysis. • London & Partners has separated the number of jobs created by activity. It is assumed that jobs created through FDI are direct jobs, while jobs created through other means (tourism, major events and higher education) are indirect jobs. • Job estimates for Housing are based on the assumption that each house completion will create 2 direct jobs, 1.6 indirect jobs and 0.8 induced jobs. This is derived from GLA Economics' analysis set out in Appendix 3 of the paper presented to IPB in August 2014.

Induced jobs	
Definition	Additional jobs flowing from the wider beneficial effects of the project that fall outside the direct and indirect definitions above
Example	New retail jobs are created as construction workers hired as part of the GLA project spend their wages in shops.
Measurement	• Assumed that for every one direct and indirect job created by a GLA project, 0.4 induced jobs will be created. This is based on the average of the empirical estimates of Type II (Indirect and Induced) multipliers by the Scottish government (http://www.scotland.gov.uk/Topics/Statistics/Browse/Economy/Input-Output/Mulitipliers). Applicable to all programmes except for Transport for London/Crossrail and Housing. • TfL/Crossrail data groups direct, indirect and induced jobs together, but an external consultancy has identified the individual contributions to the number of jobs created which are then used in this analysis. • Job estimates for Housing are based on the assumption that each house completion will create 2 direct jobs, 1.6 indirect jobs and 0.8 induced jobs. This is derived from GLA Economics' analysis set out in Appendix 3 of the paper presented to IPB in August 2014.

The estimates in Table 2 are based on the number of jobs created by GLA Group led activity under various definitions. Estimates of the number of jobs created by GLA Group led activity are broken down by direct only; direct and indirect; and, direct, indirect and induced jobs.

From the information received, between 158,000 and 352,000 jobs have been created to date by GLA Group led activity, depending on the measure of jobs created used. It is currently estimated that between 175,000 and 387,000 jobs will be created over the entire Mayoral term from currently identified projects and programmes, depending on the measure of jobs created used.

Table 2: Estimate of direct, indirect and induced gross jobs created by GLA Group projects and programmes during the Mayoral term

	Direct Jobs Created		Direct/Indirect Jobs Created		Direct/Indirect/Induced Jobs Created	
Programme	**Jobs Created to Q2 of 2015-16**	**Projected Total Jobs Created**	**Jobs Created to Q2 of 2015-16**	**Projected Total Jobs Created**	**Jobs Created to Q2 of 2015-16**	**Projected Total Jobs Created**
2012 Skills and Jobs Legacy	2,473	2,473	4,052	4,052	5,042	5,042
EBPU Projects	1,419	1,419 *	2,325	2,325 *	2,893	2,893 *
ERDF	2,656	3,495	4,352	5,726	5,415	7,125
Delivery Unit	839	839 *	1,375	1,375 *	1,710	1,710 *
Green Jobs	2,967	6,217	4,861	10,186	6,049	12,674
Housing	95,076	100,166	172,088	181,300	210,118	221,367
OLF	790	790	1,295	1,295	1,611	1,611
MRF	966	1,098	1,583	1,799	1,969	2,238
High Streets Fund	5	259	8	424	10	528
GPF/Capital Design	327	327 *	535	535 *	666	666 *
FE Capital Investment	10	10 *	16	16 *	20	20 *
TfL	5,030	5,748	9,300	10,629	12,790	14,617
Crossrail	10,910	12,830	20,690	24,480	28,220	33,410
London & Partners	20,373	23,763	32,592	37,232	45,635	52,132
LLDC	11,878	12,505	19,461	20,489	24,215	25,493
LFEPA	73	73 *	120	120 *	167	167 *
MOPAC/MPS	3,022	3,022 *	4,951	4,951 *	6,161	6,161 *
TOTAL	**158,814**	**175,034 ***	**279,604**	**306,935 ***	**352,692**	**387,856 ***

Note: a "*" is used for those programmes that have not provided a forecast of job creation over the remainder of the Mayoral term, but are nonetheless likely to create more jobs over this period (see paragraph 4.7).

If jobs created outside London as a result of GLA Group spending on different project/programme areas via supply chains are included then the number of jobs created to date by GLA Group led activity for the UK (including London) is between 193,000 and 456,000 depending on the measure of job creation used. (This originates from additional spending from Transport for London and Crossrail outside of London.) It is currently estimated that between 215,000 to 507,000 jobs will be created over the entire Mayoral term across the UK (including London) from the identified projects and programmes depending on the measure of jobs used. A detailed breakdown is presented in Table 3.

Table 3: Estimate of direct, indirect and induced gross jobs created in the UK (including London) by GLA Group projects and programmes during the Mayoral term

	Direct Jobs Created		Direct/Indirect Jobs Created		Direct/Indirect/Induced Jobs Created	
Programme	**Jobs Created to Q2 of 2015-16**	**Projected Total Jobs Created**	**Jobs Created to Q2 of 2015-16**	**Projected Total Jobs Created**	**Jobs Created to Q2 of 2015-16**	**Projected Total Jobs Created**
2012 Skills and Jobs Legacy	2,473	2,473	4,052	4,052	5,042	5,042
EBPU Projects	1,419	1,419 *	2,325	2,325 *	2,893	2,893 *
ERDF	2,656	3,495	4,352	5,726	5,415	7,125
Delivery Unit	839	839 *	1,375	1,375 *	1,710	1,710 *
Green Jobs	2,967	6,217	4,861	10,186	6,049	12,674
Housing	95,076	100,166	172,088	181,300	210,118	221,367
OLF	790	790	1,295	1,295	1,611	1,611
MRF	966	1,098	1,583	1,799	1,969	2,238
High Streets Fund	5	259	8	424	10	528
GPF/Capital Design	327	327 *	535	535	666	666 *
FE Capital Investment	10	10 *	16	16 *	20	20 *
TfL	26,760	30,583	53,750	61,429	76,370	87,280
Crossrail	24,170	28,450	49,300	58,170	68,100	80,470
London & Partners	20,373	23,763	32,592	37,232	45,635	52,132
LLDC	11,878	12,505	19,461	20,489	24,215	25,493
LFEPA	73	73 *	120	120 *	167	167 *
MOPAC / MPS	3,022	3,022 *	4,951	4,951 *	6,161	6,161 *
TOTAL	**193,804**	**215,489 ***	**352,664**	**391,424 ***	**456,151**	**507,578 ***

Note: a "*" is used for those programmes that have not provided a forecast of job creation over the remainder of the Mayoral term, but are nonetheless likely to create more jobs over this period (see paragraph 4.7).